

Message Text

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14

ORIGIN OES-05

INFO OCT-01 ARA-06 ISO-00 ACDA-05 FEA-01 EUR-12 ERDA-05

AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 EB-07

FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01

PM-04 USIA-06 SAM-01 SP-02 SS-15 STR-04 TRSE-00 /105 R

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APPROVED BY OES/NET/IM:DHOYLE

ARA/LA/BR - R. BALLANTYNE

ACDA - D. OYSTER

ERDA - G. HELFRICH

S/P - J. KAHAN

PM/NPO - G. OPLINGER

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R 190125Z DEC 75

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

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E.O. 11652: N/A

TAGS: TECH, ENRG, BR

SUBJECT: NUCLEAR ENERGY - US FUEL FOR BRAZILIAN RESEARCH

REF: A. BRASILIA 10469, B. STATE 290126

1. AS REPORTED REFTEL (B) AMBASSADOR ARAUJO CASTRO AND
EMBOFF GRIECO MET WITH MYRON B. KRATZER, OES ACTING ASSIST-
ANT SECRETARY ON MONDAY, DECEMBER 1, 1975. IN THIS MEETING,
AMBASSADOR INQUIRED WHAT HAD HAPPENED TO PROPOSED TRANSFER
OF U.S. ORIGIN HIGH ENRICHED URANIUM (HEU) FROM FRANCE TO
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BRAZIL. KRATZER RESPONDED THAT DEPARTMENT WAS UNAWARE OF

SUCH TRANSACTION, AND SPECULATED THAT IT MIGHT HAVE BEEN DISCUSSED WITH ERDA. KRATZER DID, HOWEVER, DESCRIBE INQUIRY SOME WEEKS AGO BY UK REGARDING POSSIBLE TRANSFER OF US ORIGIN HEU TO BRAZIL. IT APPEARED THAT THIS INVOLVED SOME AMOUNT OF MATERIAL FOR SAME REACTOR. UK WAS INFORMED OF US POLICY ON SUCH TRANSFERS AND THERE WAS NO FOLLOW-UP ON ITS INQUIRY. HE POINTED OUT THAT US-BRAZIL AGREEMENT OF JULY 17, 1972 IS PERMISSIVE IN AREA OF PROVIDING HEU.

(NOTE - PERTINENT ARTICLE (VIII C) STATES "A PORTION OF THE URANIUM ENRICHED IN THE ISOTOPE U-235 SUPPLIED HEREUNDER MAY BE MADE AVAILABLE AS MATERIAL CONTAINING MORE THAN TWENTY PERCENT IN THE ISOTOPE U-235 WHEN THE COMMISSION FINDS THERE IS A TECHNICAL ECONOMIC JUSTIFICATION FOR SUCH

TRANSFER.") MR. KRATZER STRESSED THAT EXPORT OF HEU IS

ALLOWED BUT US IS NOT COMMITTED TO PROVIDE BRAZIL WITH SUCH MATERIAL.

2. MR. KRATZER MADE FOLLOWING POINTS WITH RESPECT TO EXPORT OR RETRANSFER OF SIGNIFICANT QUANTITIES OF U.S. ORIGIN HEU.

-- THE USG IS VERY CONCERNED THAT HEU RECEIVE ADEQUATE PHYSICAL PROTECTION FROM POSSIBLE THEFT OR SEIZURE. PRIOR TO EXPORT USG MUST ASSURE ITSELF THROUGH CONSULTATION WITH AND VISITS TO RECIPIENT COUNTRY THAT MATERIAL WILL BE AFFORDED ADEQUATE PHYSICAL PROTECTION.

-- THE POLICY DECISION TO ALLOW US ORIGIN HEU TO BE USED IN THE COBRA HAS NOT BEEN MADE AND UNTIL THAT DECISION IS MADE, WE WOULD NOT BE POSITION TO APPROVE TRANSFER OF US HEU FOR THIS PROJECT. WE WILL OFFICIALLY INFORM BRAZILIANS OF OUR DECISION AS SOON AS IT IS MADE.

3. GRIECO SUMMARIZED HIS UNDERSTANDING OF THE CASE. FRENCH CEA HAD MATERIAL FABRICATED AND READY FOR SHIPMENT TO BRAZIL AND EURATOM HAD SUBMITTED MB-10 TO ALLOW THE TRANSFER TO BRAZIL. SOMEONE IN THE USG -- PERHAPS THE NUCLEAR REGULATORY COMMISSION (NRC) OR ENERGY RESEARCH LIMITED OFFICIAL USE

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AND DEVELOPMENT ADMINISTRATION (ERDA) HAD DISAPPROVED THE MB-10. MR. KRATZER ALLOWED THAT EURATOM MAY HAVE TALKED TO NRC OR ERDA ABOUT THE MB-10 IN QUESTION BUT EMPHASIZED THAT THEY HAD NOT TALKED WITH DEPARTMENT. WHEN IT BECAME CLEAR THAT THE BRAZILIANS WERE REFERRING TO AN EXPORT CASE WHICH HAD NOT BEEN BROUGHT TO ATTENTION OF DEPARTMENT OR OES, MR. KRATZER ASSURED AMBASSADOR HE WOULD LOOK INTO MATTER AND WOULD INFORM AMBASSADOR OF RESULTS.

4. DEPARTMENT HAS NOW ASCERTAINED THAT EURATOM OFFICE IN WASHINGTON HAD RECEIVED MB-10 FORM AUTHORIZING SHIPMENT OF 11 KGS OF HEU FROM FRANCE TO BRAZIL IN OCTOBER 1975. IN ROUTINE STATUS CHECK, EURATOM ASKED ERDA WHETHER THEY HAD COMPLETED PHYSICAL SECURITY CONSULTATIONS WITH BRAZIL. EURATOM LEARNED THAT DISCUSSIONS WERE NOT TO BEGIN UNTIL SPRING 1976. ERDA NOTED THAT UNDER EXISTING POLICY HEU EXPORTS OR TRANSFERS (IN QUANTITIES GREATER THAN 5 KGS) COULD NOT BE APPROVED UNTIL CONSULTATIONS WERE COMPLETED. EURATOM INFORMED FRENCH CEA. CEA AGREED TO DELAY TRANSFER UNTIL OCTOBER 1976. EURATOM ALSO FOUND OUT THAT MATERIAL HAD NOT BEEN FABRICATED AND WOULD NOT BE READY FOR SHIPMENT UNTIL OCTOBER 1976 IN ANY EVENT AND MB-10 HAD BEEN SUBMITTED PREMATURELY. EURATOM THEN CANCELLED THE MB-10.

5 EURATOM'S CANCELLATION OF THE MB-10 WITHOUT PRIOR CONCURRENCE BY THE GOB MAY HAVE IRRITATED BRAZILIANS AND BE ONE REASON BEHIND THE AMBASSADOR'S CALL, AN EFFORT, IN EFFECT, TO DETERMINE AT WHICH POINTS IN THE COMPLICATED APPROVAL PROCESS BRAZIL WAS ENCOUNTERING OBSTACLES.

6. DEPARTMENT RE-EMPHASIZES THAT TWO INDEPENDENT ISSUES ARE INVOLVED IN APPROVING EXPORT OF HEU: (1) ADEQUATE PHYSICAL SECURITY, AND (2) USG DECISION TO EXPORT MATERIAL FOR COBRA. CONCERNING SECOND POINT, DEPARTMENT REQUESTS INFORMATION CONCERNING THE NEW FACILITY, INCLUDING BUT NOT LIMITED TO FOLLOWING: LOCATION, OWNER AND OPERATOR, ESTIMATED DATE OF CRITICALITY, PURPOSE OF REACTOR, AMOUNT OF HEU PER CORE, FREQUENCY OF CORE LOADING. THIS INFORMATION WILL BE USED AS BACKGROUND FOR EXPORT DECISION.

7. OES HAS INFORMED EMBASSY OF INFORMATION CONTAINED IN LIMITED OFFICIAL USE

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PARA 4.
KISSINGER

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Message Attributes

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